



COMMONWEALTH of VIRGINIA

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Secretary of Natural Resources

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Director

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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION - ORDER BY CONSENT ISSUED TO WOLVERINE ADVANCED MATERIALS, LLC FOR Cedar Run Plant - Registration No. 21240

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Wolverine Advanced Materials, LLC, regarding the Cedar Run Facility, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law and the applicable permits and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.
2. "BRRO" means the Blue Ridge Regional Office of DEQ, located in Roanoke, Virginia.
3. "CFR" means the Code of Federal Regulations, as incorporated into the Regulations.
4. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.
5. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

6. "Facility" or "Plant" means the Wolverine Cedar Run Plant, Registration No. 21240.
7. "FCE" means a Full Compliance Evaluation performed by DEQ staff.
8. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 62.1-44.15.
9. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.
10. "PCE" means a Partial Compliance Evaluation performed by DEQ staff.
11. "Permit" means the Title V Air Permit, Registration No. 21240, Wolverine Cedar Run Plant, which was issued under the Virginia Air Pollution Control Law and Regulations to Wolverine Advanced Materials, LLC on December 8, 2017.
12. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.
13. "Va. Code" means the Code of Virginia (1950), as amended.
14. "VAC" means the Virginia Administrative Code.
15. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 et seq.) of Title 10.1 of the Va. Code.
16. "Wolverine" means Wolverine Advanced Materials, LLC, a limited liability company authorized to do business in Virginia and its affiliates, partners, and subsidiaries. Wolverine is a "person" within the meaning of Va. Code § 10.1-1300.

SECTION C: Findings of Fact and Conclusions of Law

1. Wolverine Advanced Materials, LLC ("Wolverine") operates a metal coil coating facility in the Town of Blacksburg, Virginia. The Cedar Run Plant is located at 3175 State Street.
2. Wolverine was issued a Title V Air Permit ("Permit"), Registration No. 21240, on December 8, 2017, which incorporates the federal standard 40 CFR Part 63 Subpart SSSS Surface Coating of Metal Coil; National Emissions Standards for Hazardous Air Pollutants. The Permit allows operation and emissions in strict accordance with its terms.

3. On January 4, 2019, DEQ staff conducted a PCE of the Catalyst Activity Test Report serving Coating Line 6 (CL6A) that was completed on March 27, 2018. DEQ staff received the Catalyst Activity Test Report on December 10, 2018, which was 214 days after the due date.
4. Condition 49 of the Permit requires the Facility to conduct a catalyst activity test on an annual basis for activity level in percent of VOC destruction to determine the catalyst capability of achieving 98% or greater VOC destruction as required by Subpart SSSS. The details of the tests are to be arranged with the Blue Ridge Regional Office. Two copies of the test results shall be submitted to the Blue Ridge Regional Office within 45 days after test completion.
5. On December 17, 2018 DEQ requested by letter that Wolverine conduct a performance test to determine the destruction efficiency (DRE) for the Coating Line 6A (CL6A) Catalytic Oxidizer. The letter included a requirement that if Wolverine conducted maintenance on the oxidizer prior to the test, the maintenance events must be documented in the operating record. Maintenance was performed in accordance with the manufacturer's recommendations in January 2019 and the maintenance
6. Based on the results of the January 4, 2019 PCE, the Department issued Notice of Violation ("NOV") number ABBRO001096-001 to Wolverine on February 5, 2019. The Department received a response to the NOV with a phone call between DEQ staff and Wolverine's environmental consultant.
7. On February 20, 2019, Wolverine representatives from the Cedar Run Facility, along with their environmental consultant, participated in a conference call with DEQ enforcement staff to discuss the violation.
8. On March 19, 2019 DEQ requested the following records: the last two annual internal inspections on the CL6A catalytic oxidizer; monthly external inspections for the previous 12-month period for the CL6A catalytic oxidizer; a copy of the most recent Catalyst Inspection and Maintenance Plan for CL6A; and, the temperature readings for the catalytic oxidizer serving line CL6A for the month of December 2018. On March 28, 2019, Wolverine submitted the requested maintenance records for the CL6A Catalytic Incinerator. DEQ staff reviewed the

maintenance records received on March 28, 2019, during the April 4, 2019 FCE and noted the following observations:

- a. The Annual Internal Preventive Maintenance inspection of the CL6A Catalytic Oxidizer completed on January 28, 2019 included a "Work Request Note" that the catalyst beds were topped off, also work was performed due to burner warping and hot spots on bypass ducting. DEQ Staff was also informed that the catalyst bed had been raked to fill channeling/waving that had occurred.
 - b. The March 27, 2018 Catalyst Activity Report indicated that the top sample was analyzed for activity, surface area and contamination. The middle sample was analyzed for activity only. The report indicated that sample exhibited adequate activity levels at 700 degrees F or higher for 96% DRE, though the permit and MACT SSSS requires 98% DRE.
 - c. The minimum required inlet gas temperature for CL6A is 683 degrees F (3-hour average), established during stack testing conducted on October 2, 2014 and reported on December 30, 2014.
 - d. The March 27, 2018 Catalyst Activity Report indicated that DRE was below 98% at temperatures of 700 degrees F or less. Stack Testing conducted on February 13, 2019, after the internal maintenance and topping off the catalyst bed demonstrated that the DRE for the CL6A Catalytic Incinerator averaged 98.01% for the testing at an average temperature of 685 degrees F.
9. The Department issued NOV number ABRRO001096-002 on April 17, 2019, to address the deficiencies. The Department received a response to the NOV update on April 17, 2019, by voicemail from Wolverine's environmental consultant requesting a meeting to discuss the NOV.
 10. On April 4, 2019, DEQ-BRRO Air Compliance Staff conducted a Full Compliance Evaluation ("FCE") of the Wolverine Advanced Materials - Cedar Run facility. During the on-site portion of the inspection, staff recorded a 3-hour average temperature of 1,613°F for the Coating Line 5 Regenerative Thermal Oxidizer (CL5 RTO). CL5 was in production operation at the time of the

- inspection. The minimum 3-hour average temperature requirement established during the most recent performance test on April 10, 2018 was 1668°F.
11. On April 22, 2019, DEQ requested 3-hour average temperature records for the CL5 RTO for March 2019 as well as the first week of April 2019. The request also included production records to indicate what RTO temperature averages were during periods of production. The requested records were received on April 30, 2019, with a revision to the records received on May 10, 2019. A review of the records received for the CL5 RTO indicated the equipment had operated below the minimum temperature established during the most recent performance test.
 12. The Department issued NOV number ABRRO001096-003 on June 4, 2019, to address the deficiencies based on the April 4, 2019 FCE and April 30, 2019, data submission.
 13. Condition 44. of the Permit requires that the regenerative thermal oxidizer combustion chamber shall be equipped with one or more temperature indicators to continuously measure and record the chamber operating temperature. The RTO shall have a 3-hour average gas temperature equal to or greater than the temperature determined during the most recent DEQ approved performance test that demonstrated at least 98% control efficiency.
 - 14.
 15. Condition 70. of the Permit requires that the permittee shall notify the Director, Blue Ridge Regional Office within four daytime business hours after discovery of any deviations from permit requirements which may cause excess emissions for more than one hour, including those attributable to upset conditions as may be defined in this permit. In addition, within 14 days of the discovery, the permittee shall provide a written statement explaining the problem, any corrective actions or preventative measures taken, and the estimated duration of the permit deviation. The occurrence should also be reported in the next semi-annual compliance monitoring report.
 16. 9 VAC 5-170-160(A) — (Conditions on Approvals) of the Commonwealth of Virginia State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution states, *inter alia*, "The board may impose conditions

upon permits and other approvals which may be necessary to carry out the policy of the Virginia Air Pollution Control Law, and which are consistent with the regulations of the board. Except as otherwise specified, nothing in this chapter shall be understood to limit the power of the board in this regard. If the owner or other person fails to adhere to the conditions, the board may automatically cancel the permit or approvals. This section shall apply, but not be limited, to approval of variances, approval of control programs, and granting of permits.

17. Va. Code § 10.1-1322(A) gives the Department the authority to issue, amend, revoke or terminate and reissue permits, and failure to comply with any condition of a permit is considered a violation of the Air Pollution Control Law.
18. Based on the results of the PCE conducted by Department staff on January 4, 2019, the FCE conducted on April 4, 2019, the documentation submitted by Wolverine, and the conference call conducted on February 20, 2019, the Board concludes that Wolverine Advanced Materials, LLC has violated Conditions 44, 49, and 70 of the Permit, 9 VAC 5-170-160(A), Va. Code § 10.1-1322(A), and 40 CFR Part 63 Subpart SSSS, as described, above.

SECTION D: Agreement and Order

By virtue of the authority granted it pursuant to Va. Code §§ 10.1-1309 and -1316 and upon consideration of Va. Code § 10.1-1186.2, the Board orders Wolverine Advanced Materials, LLC, and Wolverine Advanced Materials, LLC agrees to pay a civil charge of \$48,435.00 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

Wolverine Advanced Materials, LLC shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Wolverine for good cause shown by Wolverine, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.
2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.
3. For purposes of this Order and subsequent actions with respect to this Order only, Wolverine admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.
4. Wolverine consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Wolverine declares it has received fair and due process under the Administrative Process Act and the State Water Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by Wolverine to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
8. Wolverine shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other unforeseeable circumstances beyond its control and not due to a lack of good faith or diligence on its part. Wolverine shall demonstrate that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Wolverine shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any such delay or noncompliance;
 - c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and
 - d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which the parties intend to assert

will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto and any successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Wolverine.
11. This Order shall continue in effect until:
 - a. The Director or his designee terminates the Order after Wolverine has completed all of the requirements of the Order;
 - b. Wolverine petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - c. The Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Wolverine.

Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Wolverine from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable_

12. Any plans, reports, schedules or specifications attached hereto or submitted by Wolverine and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of Wolverine certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Covington to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Wolverine.
14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.
15. By its signature below, Wolverine voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 31st day of July, 2020.



Robert J. Weld, Regional Director
Department of Environmental Quality

Wolverine Advanced Materials, LLC voluntarily agrees to the issuance of this Order.

Date: 07/23/20 By: [Signature], EXECUTIVE DIRECTOR OF OPERATIONS
(Person) (Title)
Wolverine Advanced Materials, LLC

Commonwealth of Virginia,

City/County of Pulaski

The foregoing document was signed and acknowledged before me this 23 day of

July, 2020, by Marcelo Teixeira who is

Executive Director of Operations of Wolverine Advanced Materials, LLC, on behalf of the company.

Tammy D. Simpkins

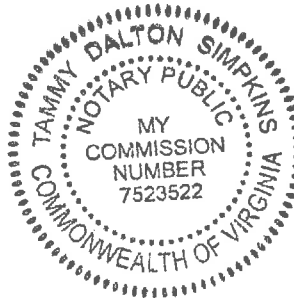
Notary Public

7523522

Registration No.

My commission expires: Aug. 31, 2020

Notary seal:



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